

**United States Bankruptcy Court  
Eastern District of North Carolina**

In re: **International Heritage, Inc.**  
**56-1921093**

**FILED**  
Case No. 98-02675-5-AT  
Chapter 7

**DEC 17 1998**

**List of Equity Security Holders**

PEGGY B. DEANS, CLERK  
U.S. BANKRUPTCY COURT  
EASTERN DISTRICT OF N.C.  
KIND OF INTEREST  
REGISTERED

| REGISTERED NAME OF HOLDER OF SECURITY<br>LAST KNOWN ADDRESS OR PLACE OF BUSINESS | CLASS OF<br>SECURITY | NUMBER<br>REGISTERED | KIND OF INTEREST<br>REGISTERED |
|--|----------------------|----------------------|--------------------------------|
| See Exhibit I Attachment   |                      |                      |                                |

2.

**EXHIBIT I**

On March 6, 1998, the Debtor entered into a share for share exchange with Kara International, Inc. ("Kara"), a publicly held company. Kara was a shell corporation which was not doing business at the time of the exchange. Each outstanding share of the Debtor was exchanged for three shares of Kara. A total of 7,379,493 shares (97.73%) of the Debtor were exchanged for 22,138,479 shares of Kara. Kara changed its name to International Heritage, Incorporated. The parties listed below did not participate in the share for share exchange.

**List of Equity Security Holders**

| <b><u>Registered Name of Holder<br/>Of Security Last Known<br/>Address or Place of Business</u></b> | <b><u>Class of Security</u></b> | <b><u>Number<br/>of Shares</u></b> | <b><u>Kind of Interest<br/>Registered</u></b> |
|---|---------------------------------|------------------------------------|---|
| John H. Giles<br>Attn: W.R. Crothers<br>3410 Antioch Church Road<br>Matthews, NC 23105              | Common Stock                    | 750                                | Direct  |
| Houston Allen Little<br>36457 Carter Road<br>New London, NC 23127                                   | Common Stock                    | 750                                | Direct  |
| Benny G & Martha N. Morgan<br>932 Brintonial Way<br>Winston-Salem, NC 27104                         | Common Stock                    | 750                                | Direct  |
| Bobby Dean Sidden<br>225 Collins Road<br>China Grove, NC 28023                                      | Common Stock                    | 7,500                              | Direct  |
| Lawrence & Dorothy Smith<br>1123 N.W. 107 <sup>th</sup> Terrace<br>Gainesville, FL 32606            | Common Stock                    | 3,750                              | Direct  |
| Gregg M. Strauss<br>110 Rabbit Run Road<br>Sewell, NJ   | Common Stock                    | 750                                | Direct  |